

# Food Corporation of India

## Manual-XII

**The manner of execution of subsidy programmes, including the amount allotted and the details of beneficiaries of such programmes**

The Food Subsidy provided to FCI by the Ministry is in the form of Consumer Subsidy and Buffer Subsidy.

As per the mandate given to it, the Corporation carries out Open Ended Procurement of foodgrains at Minimum Support Price fixed by the Central Govt., Movement of the same and Distribution of Foodgrains to various State/Central Agencies as per the Allocation given by the Central Govt. and at the Central Issue Prices fixed by the Central Govt.

For the quantity distributed, the difference between the acquisition cost and distribution cost incurred by FCI and the CIP realized is reimbursed as Consumer Subsidy.

As per the instructions issued, three months' average sales quantity is treated as operational stock. Stock over and above the operational stock is treated as buffer stock. For buffer stock, the cost of holding and maintenance of the stock (i.e. interest, storage etc.) is reimbursed in the form of Buffer Subsidy.

As per existing instructions, 95% of the subsidy (excluding shortages) is paid in advance to FCI on quarterly basis and the balance is paid on completion of Accounts and certification of the same by C&AG.